

# **Testimony Before the Subcommittee on Antitrust, Competition Policy and Consumer Rights**

**Jason Furman  
Chairman, Council of Economic Advisers**



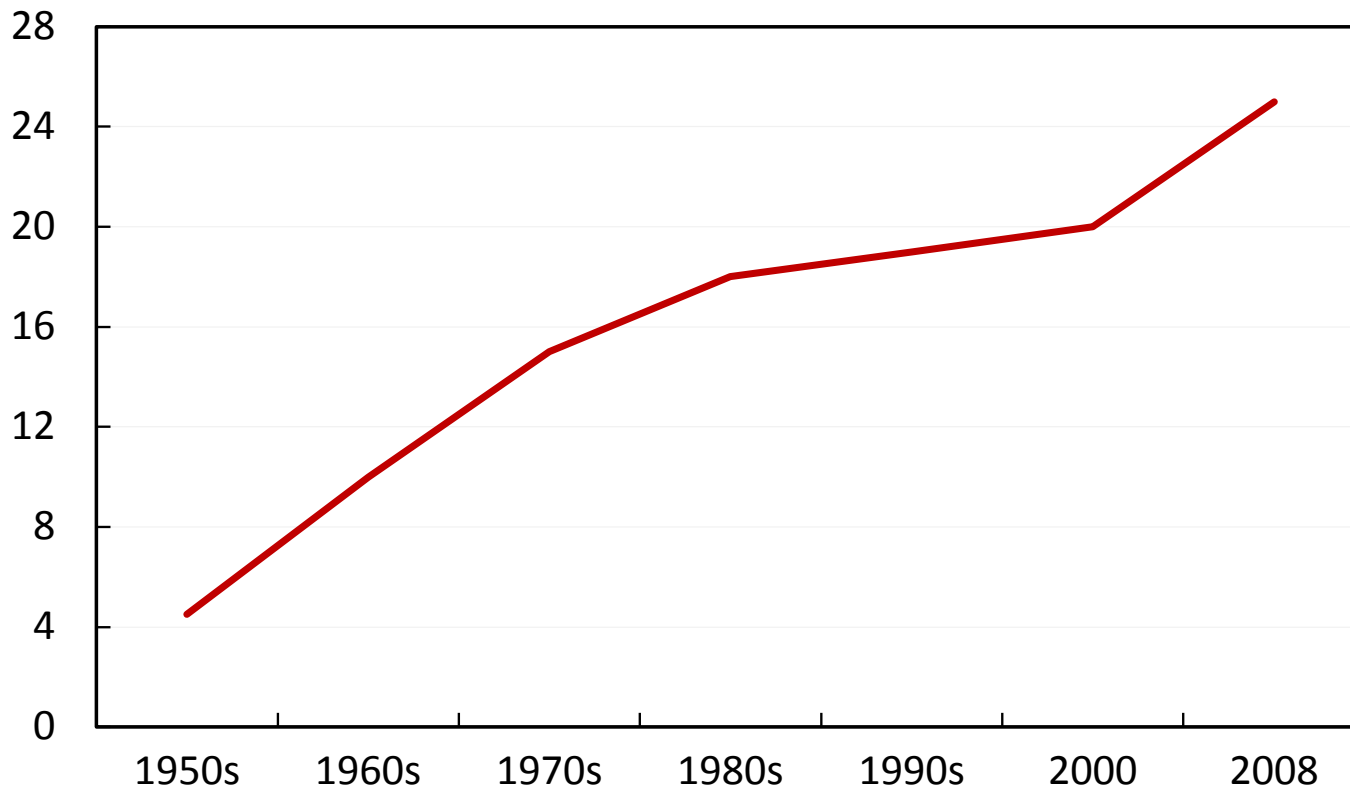
**February 2, 2016**

# The Share of Workers Licensed at the State Level Has Risen Five-Fold Since the 1950s

**Figure 1**

## Share of Workers with a State Occupational License

Percent of the Workforce

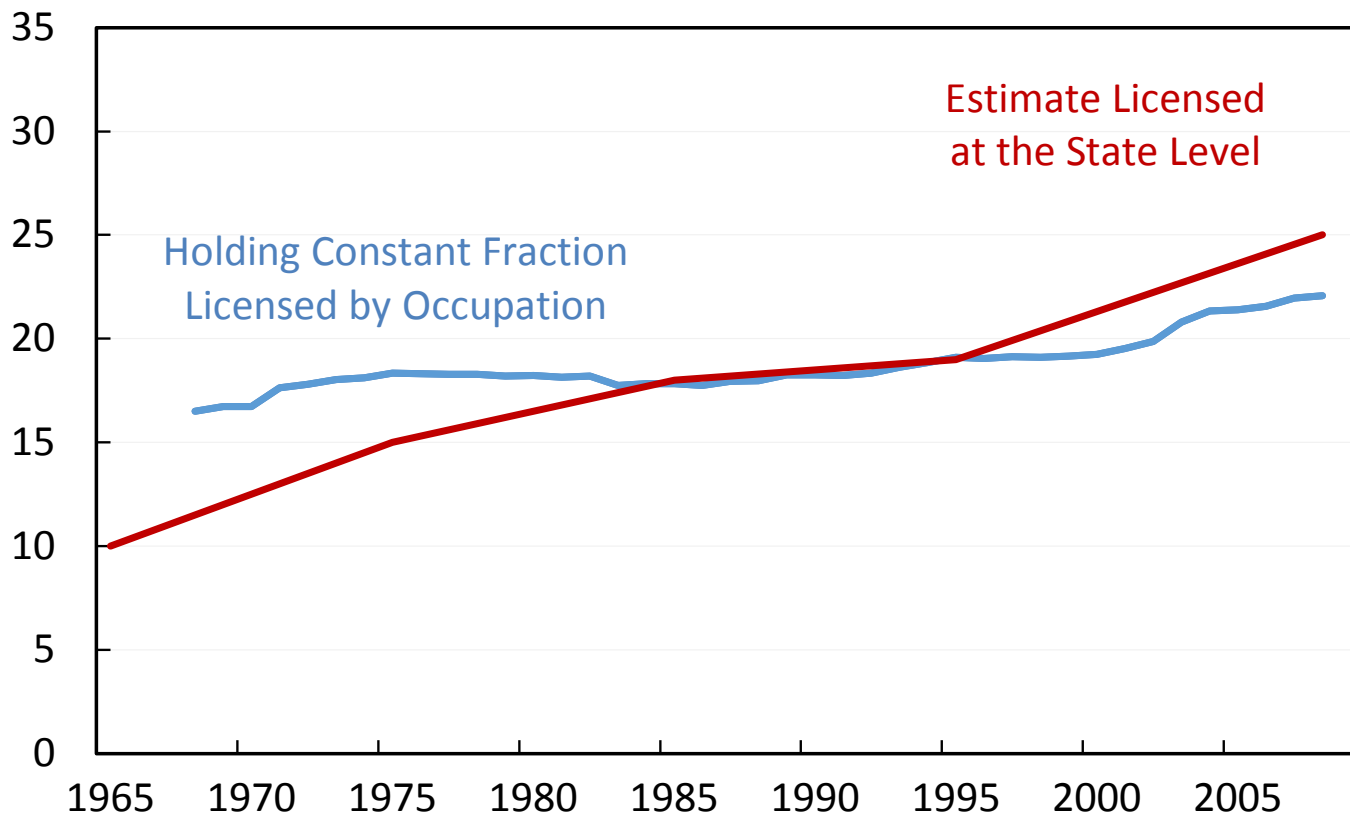


# Around Two-Thirds of the Increase in Licensing Is Driven by More Professions Being Licensed

Figure 2

## Percent Licensed Over Time: Estimated and Counterfactual

Percent of the Workforce

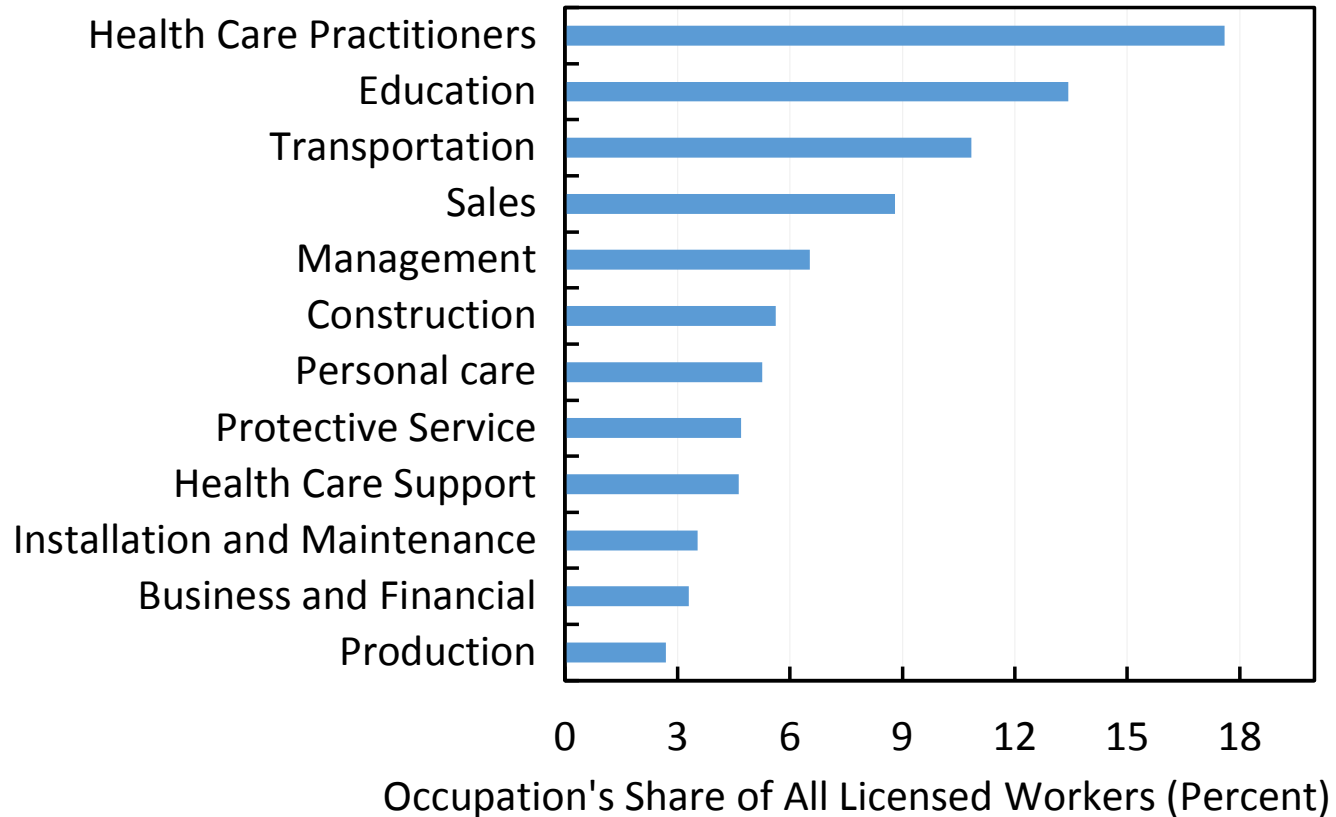


Source: Kleiner and Krueger (2013), Westat data; Bureau of Labor Statistics; Current Population Survey.

Note: To make the adjustment, we use Kleiner and Krueger's estimates of the shares of State-licensed workers in each occupation in 2008, and adjust for changes in occupational mix back to 1968, taking advantage of a historically consistent occupational classification system in the Integrated Public Use Microdata Series version of the Current Population Survey.

# Licensing Has Expanded into New Sectors

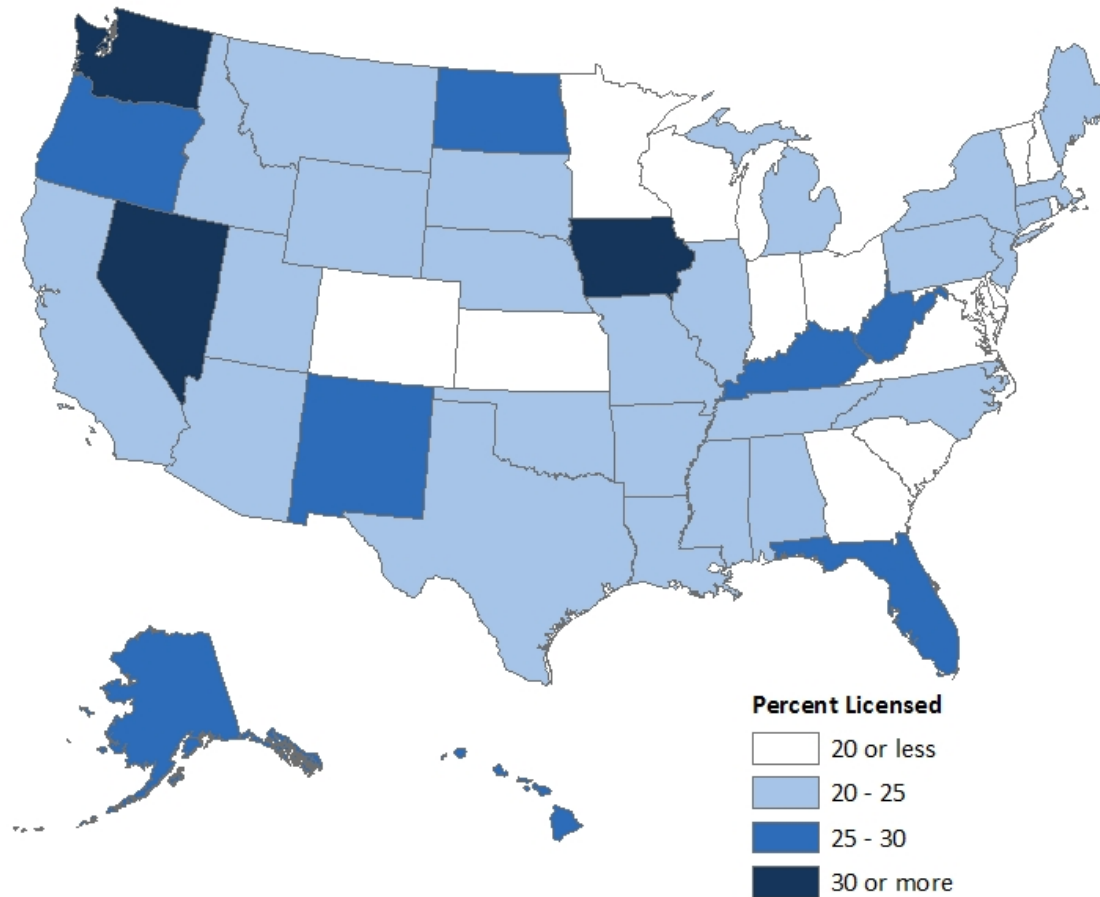
**Figure 3**  
**Share of All Licensed Workers in the 12 Occupations**  
**with the Most Licensed Workers**



# Licensing Is Very Uneven Across States

Figure 4

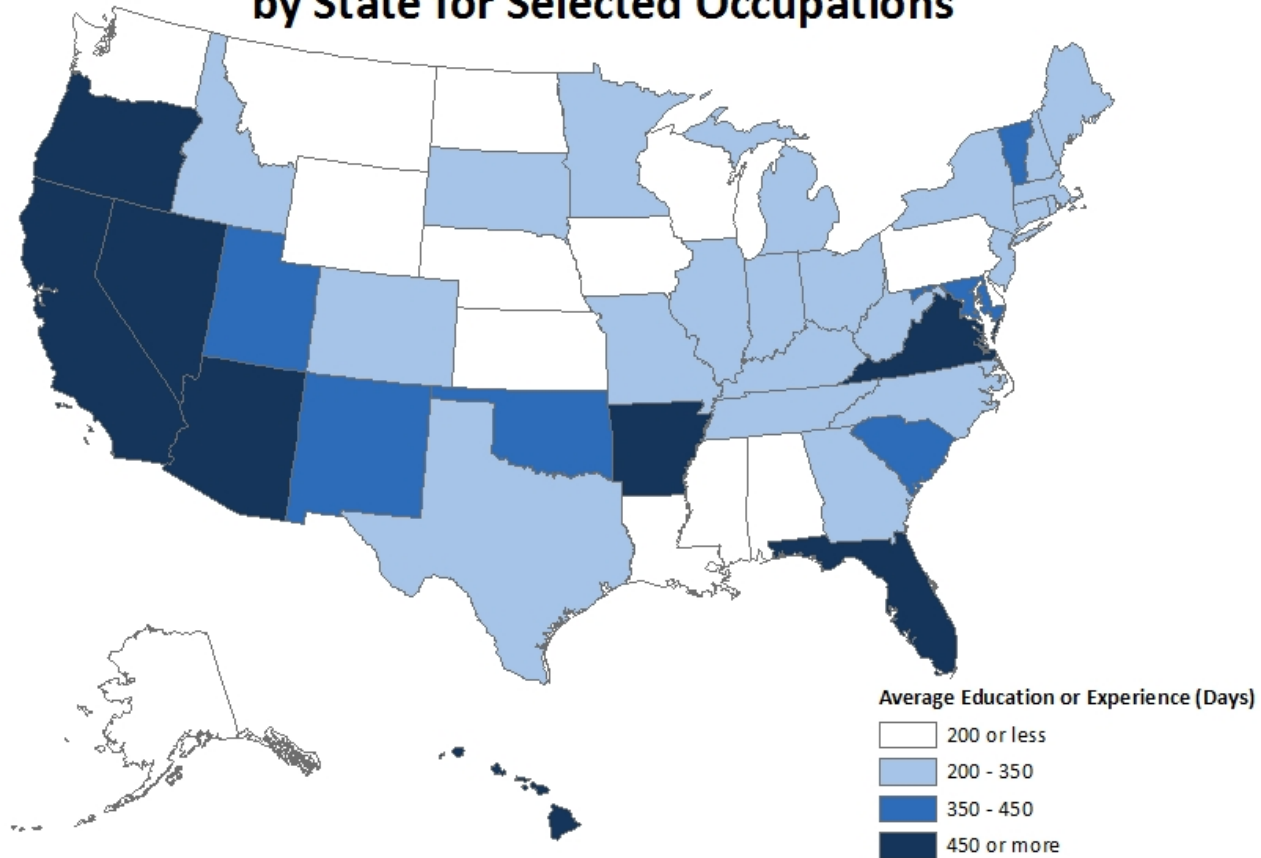
Percent of Workforce Licensed by State



# States Also Differ in the Requirements for their Licenses

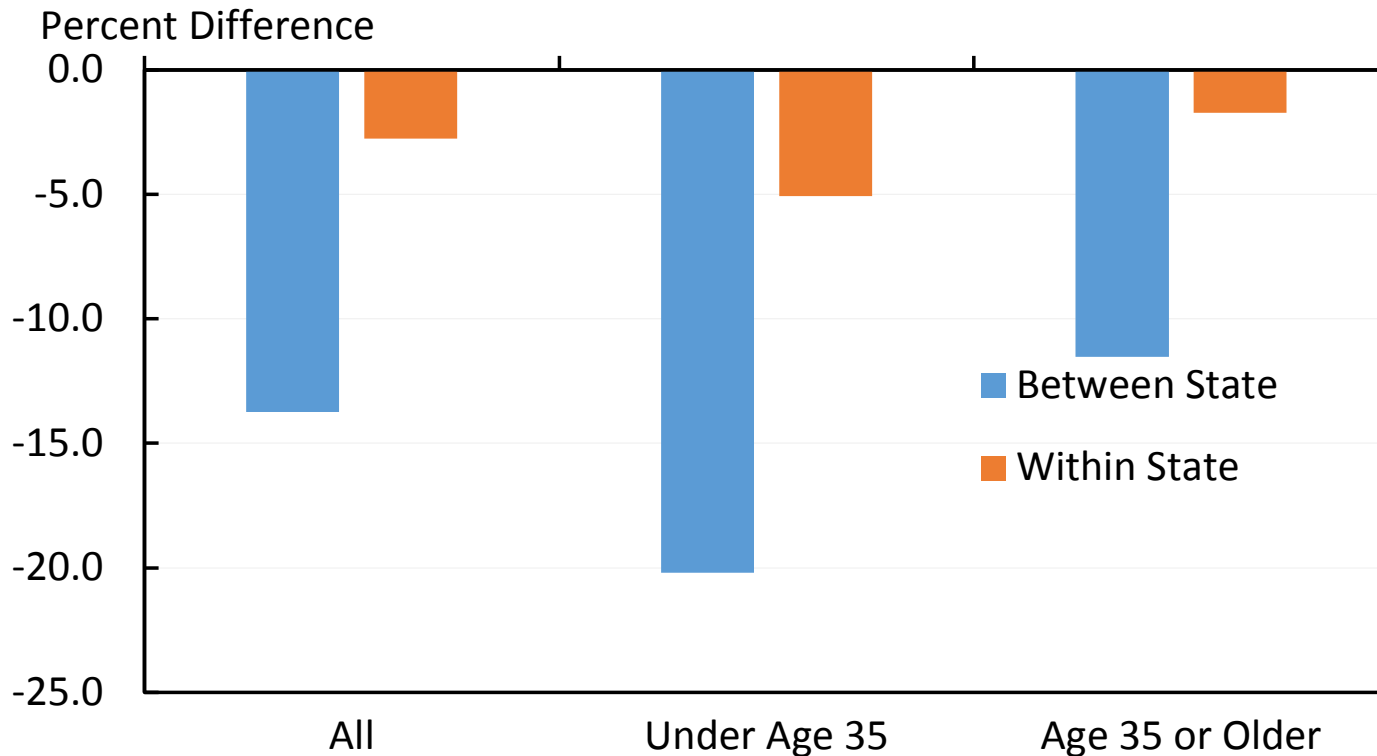
Figure 5

## Average Education or Experience Required for License by State for Selected Occupations



# Licensing Decreases Mobility Across State Lines

**Figure 6**  
**Difference in Migration Rates of Workers**  
**in Most vs. Least Licensed Occupations**



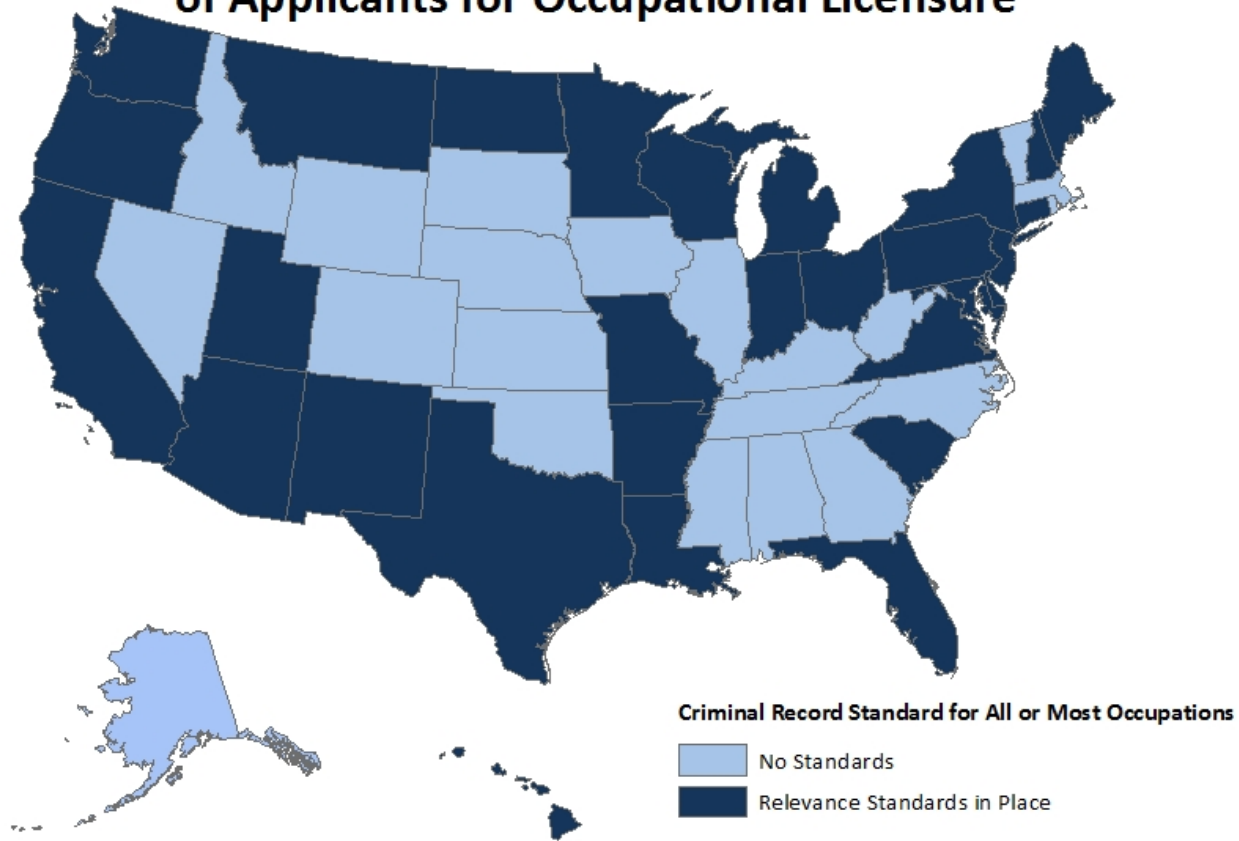
Source: Census Bureau, American Community Survey 2010-2013; CEA Calculations.

Note: Number is calculated from an OLS regression controlling for race, citizenship, sex, citizenship, number of children, marital status, education, income, year, and state. Ages 25 to 65 were included.

# Only Some States Have General Standards Governing the Relevance of Conviction Records

Figure 7

## Standards Governing Relevance of Conviction Records of Applicants for Occupational Licensure

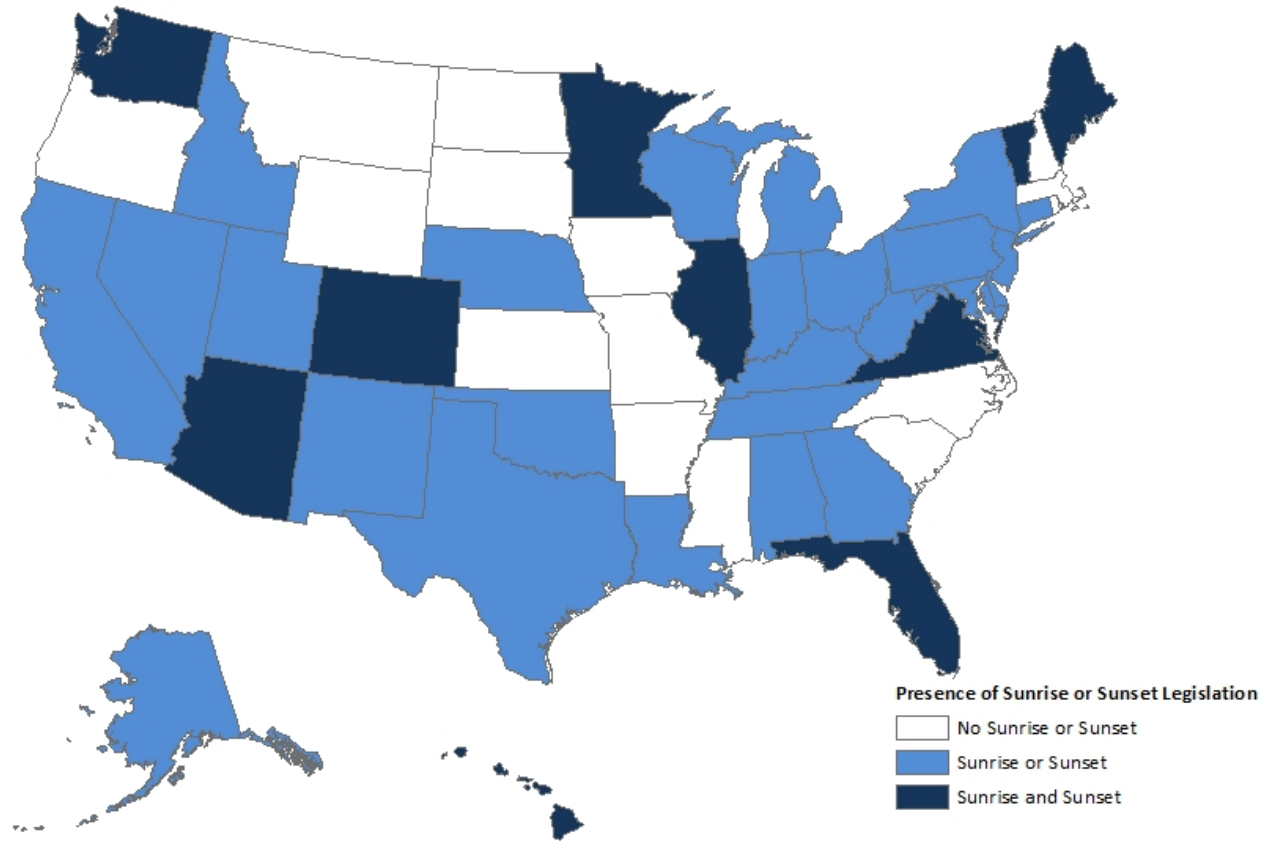




# Only Some States Have Sunrise and Sunset Review Processes for Licensing Laws

Figure 8

## States with Sunrise and Sunset Legislation



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